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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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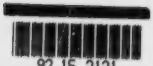
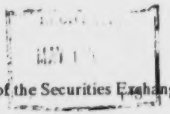


FORM 10-Q



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(X) Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For Quarter Ended March 31, 1992

or

( ) Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____

Commission File Number 1-3786

Homasote Company
(Exact name of registrant as specified in Charter)

NEW JERSEY	21-0388986
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
P.O. Box 7240, West Trenton, NJ	08628
(Address of principal executive offices)	**(Zip Code)**

Registrant's Telephone number, including area code 609-883-3300

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
(X) Yes ( ) No

At March 31, 1992, 446,271 shares of common stock of the Registrant were outstanding.

HOMASOTE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF EARNINGS

(UNAUDITED)

For the three months ended March 31

	1992	1991
Net sales	$ 5,916,750	$ 6,186,979
Cost of sales	4,610,917	4,838,483
Gross profit	1,305,833	1,348,496
Selling, general and administrative expenses	1,255,476	1,342,623
Operating income	50,357	5,873
Other income (expense):		
Gain on sale of assets	4,038	23,801
Interest income	5,934	18,766
Interest expense	(33,327)	(37,203)
	(23,355)	5,364
Earnings before income taxes	27,002	11,237
Income taxes	10,801	4,140
Net earnings	$ 16,201	$ 7,097
Earnings applicable to common stock	$ 16,201	$ 7,097
Common shares (weighted average)	446,649	490,137
Earnings per share, common stock	$ 0.04	$ 0.01
Cash dividends per share declared and paid	$ 0.00	$ 0.10

Note 1. Sales were down by 4.4% for the first quarter of 1992 as compared to the same period of 1991.

Note 2. The consolidated financial data as of March 31, 1992 and 1991 and for the three month period ended March 31, 1992 and 1991 includes, in the opinion of management, all adjustments (none of which were non-recurring) necessary for a fair presentation of such periods. The consolidated financial data for the three months ended March 31, 1992 is not necessarily indicative if the results of operations that might be expected for the entire year ending December 31, 1992.

HOMASOTE COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

ASSETS

	March 31, 1992	December 31, 1991
CURRENT ASSETS:		
Cash in banks	$ 679,409	$ 694,060
Accounts receivable, net	3,001,014	1,637,893
Inventories:		
Raw materials	955,881	1,002,110
Work in process	130,000	130,000
Finished goods	2,398,795	2,786,528
Refundable income tax	312,288	312,288
Prepaid expenses and other current assets	187,738	305,154
Total Current Assets	$ 7,665,125	$ 6,868,033
PROPERTY, PLANT AND EQUIPMENT, at cost	28,701,117	28,791,270
Less accumulated depreciation	22,963,380	22,890,931
Net property, plant and equipment	5,737,737	5,900,339
OTHER ASSETS	723,572	723,572
Total	$ 14,126,434	$ 13,491,944

HOMASOTE COMPANY AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 1992		December 31, 1991	
CURRENT LIABILITIES:				
Current installment of long term debt	536,759		536,759	
Accounts payable - trade	642,228		740,002	
Accrued expenses	911,119		891,734	
Income taxes	13,430		–	
		$ 2,103,536		$ 2,168,495
LONG-TERM DEBT, excluding current installment		1,278,632		587,617
DEFERRED INCOME TAXES		382,240		382,240
OTHER LIABILITIES		723,572		723,572
TOTAL LIABILITIES		4,487,980		3,861,924
STOCKHOLDERS' EQUITY				
Common stock at $.20 par value Authorized 1,500,000 shares issued 863,995 shares in 1992 and 1991.		172,799		172,799
Additional paid-in capital		898,036		898,036
Retained earnings:				
Balance at beginning	14,531,610		14,573,463	
Add: Net income for period	16,201		7,157	
	14,547,811		14,580,620	
Less: Dividends paid $.00 per share in 1992 and $.10 in 1991.	–	14,547,811	49,010	14,531,610
		15,618,646		15,602,445
Less: Treasury stock at cost, 417,724 shares in 1992 and 417,204 in 1991.		5,980,192		5,972,425
Net stockholders' equity		9,638,454		9,630,020
Total		$ 14,126,434		$ 13,491,944

Note 2. The consolidated financial data as of March 31, 1992 and 1991 and for the three month period ended March 31, 1992 and 1991 includes, in the opinion of management, all adjustments (none of which were non-recurring) necessary for a fair presentation of such periods. The consolidated financial data for the three months ended March 31, 1992 is not necessarily indicative if the results of operations that might be expected for the entire year ending December 31, 1992.

HOMASOTE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31

(UNAUDITED)

	1992	1991
Cash flows from operating activities:		
Net earnings	$ 16,201	$ 7,097
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	161,569	206,794
Gain on disposal of fixed assets	(3,500)	(23,444)
Change in assets and liabilities:		
Increase in accounts receivable, net	(1,363,121)	(907,862)
Decrease (increase) in inventories	433,962	(190,527)
Increase in refundable income tax	0	(37,564)
Decrease (increase) in prepaid expenses and other assets	117,416	(5,479)
Increase (decrease) in accounts payable	(97,774)	262,727
Increase in accrued expenses	19,385	103,869
Increase (decrease) in accrued income taxes	13,430	(3,747)
Total adjustments	(718,633)	(595,233)
Net cash used in by operating activities	(702,432)	(588,136)
Cash flows from investing activities:		
Proceeds from sale of equipment	26,268	26,500
Additions to plant and equipment	(21,735)	(29,313)
Net cash provided by (used in) investing activities	4,533	(2,813)
Cash flows from financing activities:		
Proceeds from issuance of short-term debt	700,000	500,000
Repayment of long-term debt	(8,985)	(8,451)
Cash dividends paid	0	(49,010)
Proceeds from sale of treasury stock	0	3,676
Purchase of treasury stock	(7,767)	(22,820)
Net cash used in financing activities	683,248	423,395
Net decrease in cash and cash equivalents	(14,651)	(167,554)
Cash and cash equivalents as of beginning of period	694,060	622,831
Cash and cash equivalents as of end of period	$ 679,409	$ 455,277
Supplemental information:		
Cash paid during period for:		
Interest	$ 33,327	$ 37,203
Income taxes	$ 0	$ 50,000

HOMASOTE COMPANY AND SUBSIDIARY

March 31 1992

NOTE # 1 MANAGEMENT'S ANALYSIS OF MATERIAL CHANGE BY QUARTER AS NOTED

RESULTS OF OPERATIONS

Net sales for the three months ended March 31, 1992 as compared to March 31, 1991 decreased slightly. This is due primarily to the continuing industry downturn in demand for building products.

The cost of sales, as a percentage of sales, was 77.9% for the quarter ended March 31, 1992 as compared to 78.2% for the quarter ended March 31, 1991. This decrease is due primarily to a reduction in health insurance costs brought about by a change of health insurance carriers.

The increase in earnings for the three months ended March 31, 1992 to March 31, 1991 can be attributed to the decrease in cost of sales.

The increase in accounts receivable for the three months ended March 31, 1992 to March 31, 1991 can be attributed to the extended terms granted to customers during the winter trade shows.

Interest income for 1992 compared to 1991 has decreased due to significantly lower interest rates. Interest expense on debt for 1992 has decreased from 1991 because of more favorable lending rates.

LIQUIDITY AND CAPITAL RESOURCES

Capital expenditures for new and improved facilities and equipment were $22,000 in 1992 and $29,000 in 1991. Capital expenditures are financed primarily through internally generated funds and debt, and are expected to be approximately $900,000 for the remaining nine (9) months of 1992. In February 1992, the Company negotiated loan agreements for $1.0 million and $2.5 million for the purposes of consolidating existing debt, renovation of equipment and other working capital purposes. Repayment of the $1.0 million debt is due in February 1993. Repayment of the $2.5 million debt is due in equal installments beginning in March 1993, and ending with the final payment in February 1996.

INFLATION

During the last three years, the Company has felt the effects of inflation through the constant increases in the costs of labor, services, raw materials, energy and employee benefits. The demand of the Company's products has been directly affected by the economic condition of the housing and construction industry. The Company will continue to maintain its policy of constantly monitoring costs and adjusting prices as necessary.

HOMASOTE COMPANY AND SUBSIDIARY

OTHER INFORMATION

March 31, 1992

Item 9. Exhibits and Reports on Form 8-K

(b) Reports on Form 8-K - There were no reports on Form 8-K filed for the three months ended March 31, 1992.

Other Information:

All other schedules are omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or related notes.

Signatures

Pursuant of the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereto authorized.

HOMASOTE COMPANY (Registrant)

By _____
Neil F Bacon, Treasurer
(Chief Financial Officer)

Date: May 14, 1992